



Florida Department of TRANSPORTATION

Office of Inspector General Kristofer B. Sullivan, Inspector General

Audit Report No. 24C-006
Contract E51A0, I-75 Sumter County Southbound Rest Area

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Kristofer B. Sullivan
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June 10, 2025

What We Did

The Florida Department of Transportation's (Department) Office of Inspector General (OIG) conducted an audit of Contract E51A0 as part of the fiscal year 2023-2024 annual audit plan. The contract was entered between the Department and David Nelson Construction Co. (Contractor) and executed on March 23, 2021. It was agreed that the work to be done under this contract was to reconstruct the I-75 Southbound Rest Area in Sumter County, District 5. Our objective was to evaluate management controls of the Department's processes and procedures related to Contract E51A0 to ensure compliance with Florida Statutes, Department guidelines, and contractual obligations. The scope of the audit included contractual and regulatory compliance associated with Contract E51A0. The audit was segmented into three phases: pre-letting,¹ post-letting,² and life of the contract.³

What We Found

We determined that District 5's management controls related to the Department's processes and procedures for Contract E51A0 were in compliance with Florida Statutes, Department guidelines, and contractual obligations. Specifically, we determined:

- The pre-letting process for Contract E51A0 complied with 16 requirements selected from six criteria within Department Procedure No. 375-000-001, Road and Bridge Contract Procurement;
- The post-letting process for Contract E51A0 complied with 55 requirements selected from 11 criteria within Department Procedure No. 375-000-001, Road and Bridge Contract Procurement, Department Procedure No. 600-010-001, Preparation of the Authorization/Official Construction Cost Estimate and Contract Bid Review Analysis, and Standard Specifications for Road and Bridge Construction; and
- Contract E51A0 complied with 31 requirements selected from 17 criteria from Section 337.11(9)(b), Florida Statutes, Construction Project Administration Manual, and Standard Specifications for Road and Bridge Construction.

¹ The process from the preparation of advertisement to the bidding preparation prior to the bid letting.

² The process from bid review to the award determination.

³ The process from contract execution to completion.

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What We Recommend

This report does not contain recommendations, as the audit found that District 5's management controls related to the Department's processes and procedures for Contract E51A0 were in compliance with Florida Statutes, Department guidelines, and contractual obligations.

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BACKGROUND AND INTRODUCTION

The Florida Department of Transportation's (Department) Office of Inspector General (OIG) conducted an audit of Contract E51A0 between the Department and David Nelson Construction Co. (Contractor) as part of the fiscal year 2023-2024 annual audit plan. This project was let under the authority of Chapter 337, Florida Statutes, under Financial Project Number 438562-3-52-01, Contract E51A0. The total contract amount was \$14,521,513 for 470 contract calendar days. Contract E51A0 was executed on March 23, 2021, with an estimated completion date of September 8, 2022.

This contract was to construct or otherwise improve the road(s), bridge(s), and building(s), described as: I-75 (SR 93). The improvements under this contract consist of reconstructing the I-75 Southbound Rest Area in Sumter County, District 5. See Figure 1 for the site prior to reconstruction, and Figure 2 for the site after project completion.

Figure 1: I-75 Southbound Rest Area prior to Reconstruction



Source: Google Map

Figure 2: I-75 Southbound Rest Area after Reconstruction



Source: Google Map

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RESULTS OF REVIEW

Our objective for the engagement was to evaluate management controls of the Department's processes and procedures related to Contract E51A0 to ensure compliance with Florida Statutes, Department guidelines, and contractual obligations. The scope of the audit included contractual and regulatory compliance associated with Contract E51A0. The audit was segmented into three phases: pre-letting,⁴ post-letting,⁵ and life of the contract.⁶

Specifically, the engagement evaluated whether:

- The pre-letting process for Contract E51A0 complied with selected criteria from Department Procedure No. 375-000-001, Road and Bridge Contract Procurement;
- The post-letting process for Contract E51A0 complied with selected criteria from Department Procedure No. 375-000-001, Road and Bridge Contract Procurement, Department Procedure No. 600-010-001, Preparation of the Authorization/Official Construction Cost Estimate and Contract Bid Review Analysis, and the Standard Specifications for Road and Bridge Construction; and
- Contract E51A0 complied with requirements selected from Section 337.11(9)(b), Florida Statutes, Construction Project Administration Manual, and Standard Specifications for Road and Bridge Construction.

Finding 1 – Financial Policies and Procedures

We determined District 5's management controls related to the Department's processes and procedures for Contract E51A0 were in compliance with Florida Statutes, Department guidelines, and contractual obligations.

Pre-letting Phase

We evaluated 16 requirements selected from six criteria regarding the pre-letting process to determine compliance with Department Procedure No. 375-000-001, Road and Bridge Contract Procurement. The specific requirements were selected from the following criteria:

- Topic No. 375-000-001, Road and Bridge Contract Procurement (2021)
 - Section 2.0 Authorization to Advertise
 - Section 3.4 Bid Solicitation Notice (BSN) Advertisement Requirements
 - Section 4.2 Cost Estimate
 - Section 4.4 Bid Document Issuance

⁴ The process from the preparation of advertisement to the bidding preparation prior to the bid letting.

⁵ The process from bid review to the award determination.

⁶ The process from contract execution to completion.

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- Section 5.5 Post Letting Bid Review
- Section 6.0 Post Letting Bidder Eligibility Verification Prior to Committee Meetings

The testing focused on the following areas:

- authorization to advertise;
- advertisement distribution;
- prequalification of bidders;
- contractor bid submission; and
- confidentiality of Official Estimate.

We determined that the pre-letting process for Contract E51A0 complied with the selected criteria and Department Procedure No. 375-000-001, Road and Bridge Contract Procurement.

Post-letting Phase

We evaluated 55 requirements selected from 11 criteria regarding the post-letting process to determine compliance with Department Procedure No. 375-000-001, Road and Bridge Contract Procurement; Department Procedure No. 600-010-001, Preparation of the Authorization/Official Construction Cost Estimate and Contract Bid Review Analysis, and Standard Specifications for Road and Bridge Construction. The specific requirements were selected from the following criteria:

- Topic No. 375-000-001, Road and Bridge Contract Procurement (2021)
 - Section 5.4 Announce Results of the Letting
 - Section 6.0 Post Letting Bidder Eligibility Verification Prior to Committee Meetings
 - Section 7.2 Encumbrance for Award
 - Section 9.0 Contract Execution
- Topic No. 600-010-001, Preparation of the Authorization/Official Construction Cost Estimate and Contract Bid Review Analysis (2020)
 - Section 4.2 Post-Letting Activities
 - Section 5 Contract Bid Reviews
 - Section 5.2 Contract Bid Analysis
 - Section 7 Technical Review Committee Meeting
 - Section 8 Contract Awards Committee Meeting
- Standard Specifications for Road and Bridge Construction (January 2021)
 - Section 3-2 Award of Contract
 - Section 3-6 Execution of Contract and Contract Bond

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The testing focused on the following areas:

- contract bids review;
- bidder's eligibility;
- award determination;
- funds approval;
- contract execution timeframe;
- executed contract package requirements; and
- executed contract package distribution.

We determined that the post-letting process for Contract E51A0 complied with selected criteria: Department Procedure No. 375-000-001, Road and Bridge Contract Procurement; Department Procedure No. 600-010-001, Preparation of the Authorization/Official Construction Cost Estimate and Contract Bid Review Analysis; and FDOT Standard Specifications for Road and Bridge Construction.

Life of the Contract Phase

The original contract amount was \$14,521,513. Following approved adjustments, the current contract amount increased to \$14,674,974, reflecting an increase of \$153,460, or 1.06 percent. These adjustments were supported by one supplemental agreement (SA) for \$3,460 and one contingency supplemental agreement (CSA) for \$150,000. There were 16 work orders issued under the CSA, representing \$150,000, or 100 percent of the CSA amount. The original contract period was extended from 470 days⁷ to 814 days,⁸ extending the total contract duration by 73.19 percent. A total of 40 weather days were granted. A total of 60 subcontractors were engaged for the project.

We evaluated 31 requirements selected from 17 criteria regarding Contract E51A0 to determine compliance with Section 337.11(9)(b), Florida Statutes, Construction Project Administration Manual, and Standard Specifications for Road and Bridge Construction. The specific requirements were selected from the following criteria:

- Section 337.11, Florida Statutes (2021), Contracting authority of department; bids; emergency repairs, supplemental agreements, and change orders; combined design and construction contracts; progress payments; records; requirements of vehicle registration
 - (9)(b) Supplemental agreements and written work orders pursuant to a contingency pay item or contingency supplemental agreement shall be used to clarify the plans and specifications of a contract; to provide for unforeseen work, grade changes, or alterations in plans which could not reasonably have been contemplated or foreseen in the original plans and specifications; to

⁷ Days between the work begin date of May 20, 2021, to the original estimated completion date of September 1, 2022.

⁸ Days between the work begin date of May 20, 2021, to the final acceptance date of August 11, 2023.

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change the limits of construction to meet field conditions; to provide a safe and functional connection to an existing pavement; to settle contract claims; and to make the project functionally operational in accordance with the intent of the original contract.

- Construction Project Administration Manual (2022)
 - Section 5.3 Subletting of Contract
 - Section 5.3.5 Certification of Sublet Work
 - Section 5.3.7 Form Processing
 - Section 7.2 Time Extensions
 - Section 7.2.4 General
 - Section 7.2.5.2 Project Administrator's Weather Time Recommendations
 - Section 7.2.5.3 Weather Delays for Projects
 - Section 7.2.6 Time Extensions Not Related to Weather Delays, Holidays or Special Events
 - Section 7.2.7.2 Project Administrator's Recommendation
 - Section 7.3 Supplemental Agreements and Unilateral Payments
 - Section 7.3.5.1 Significant Changes
 - Section 7.4 Contingency Supplemental Agreements and Work Orders
 - Section 7.4.5 Identifying the Need for a Contingency Supplemental Agreement or Work Order
 - Section 7.4.6.1 Maximum Funding Limits
 - Section 7.4.8.1 General
 - Section 7.4.8.4 Contract Time
- Standard Specifications for Road and Bridge Construction (January 2021)
 - Section 8-1 Subletting or Assigning of Contracts
 - Section 8-3 Prosecution of Work
 - Section 8-3.2 Submission of Contract Schedule
 - Section 8-3.3 Beginning Work
 - Section 8-6 Temporary Suspension of Contractor's Operations

The testing focused on the following areas:

- prosecution of work;
- time extensions;
- contingency Supplemental Agreement; and
- subletting of contract.

We determined Contract E51A0 complied with requirements selected from Section 337.11(9)(b), Florida Statutes, Construction Project Administration Manual, and Standard Specifications for Road and Bridge Construction. We have no recommendations at this time, as we found the areas reviewed to be compliant.

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APPENDIX A – Purpose, Scope, and Methodology

The **purpose** of this engagement was to evaluate management controls of the Department's processes and procedures related to Contract E51A0 to ensure compliance with Florida Statutes, Department guidelines, and contractual obligations.

The **scope** of this audit included contractual and regulatory compliance associated with Contract E51A0. The engagement was segmented into three phases: pre-letting, post-letting, and life of the contract.

The **methodology** included:

- reviewing applicable laws, rules, guidelines, Standard Specifications for Road and Bridge Construction, and FDOT procedures;
- creating flowcharts to visualize processes and identify controls;
- conducting a risk assessment to prioritize potential risks and develop targeting testing steps;
- utilizing an Internal Control Questionnaire to gain an understanding of the control environment of the organization, process, or program under review;
- examining and testing management controls of the Department's processes to ensure contractual and regulatory compliance associated with Contract E51A0.

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APPENDIX B – Affected Entity Response

On May 5, 2025, David Nelson Construction Co. sent an email stating that they do not have additional comments regarding the draft report.

On May 5, 2025, Adaptive Consulting Engineers, LLC sent an email stating that they do not have additional comments regarding the draft report.

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APPENDIX C – Management Response

On May 20, 2025, District Five Transportation Operations Office sent an email stating they do not have any comments regarding the report.

On May 21, 2025, the Office of Construction sent an email stating they do not have any comments regarding the report.

On May 21, 2025, District Five Leesburg Operations Office sent an email stating they do not have any comments regarding the report.

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DISTRIBUTION

Responsible Manager:

Tim Lattner, P.E., Director of the Office of Construction
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Philip Maggio, P.E., District Five Operations Engineer
Rohan McDonald, P.E., District Five Construction Engineer
Eric Jagers, District Five Construction Project Manager

Internal Distribution:

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Rebekah Davis, General Counsel
Trey Tillander, P.E., Executive Director of Transportation Technology
John E. Tyler, P.E., District Five Secretary

External Distribution:

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Ralph Yoder, Executive Director, Florida Transportation Commission
Leigh Lilla, Project Manager of David Nelson Construction Co.
Michael Irwin, P.E., Adaptive Consulting Engineers, LLC

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PROJECT TEAM

Engagement was conducted by:
Erica Liang, Auditor In Charge
Natalie Hill, Staff Auditor

Under the supervision of:
Luis Camejo, Senior Audit Supervisor
Emma Valentin, Senior Audit Supervisor
Ryan Moore, Deputy Audit Director for Contracts
Joseph W. Gilboy, Director of Audit

Approved by:
Kristofer B. Sullivan, Inspector General

STATEMENT OF ACCORDANCE

The Department's mission is to provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities.

The Office of Inspector General's mission is to provide independent and objective investigative and audit services that promote accountability, integrity, and efficiency within the Florida Department of Transportation and its partners.

This work product was prepared pursuant to section 20.055, Florida Statutes, in accordance with the Association of Inspectors General *Principles and Standards for Offices of Inspector General*, and conforms with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

Please address inquiries regarding this report to the Department's Office of Inspector General at (850) 410-5800.